

ORIGINAL

OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION
DOCKET CONTROL

TO: THE COMMISSION

FROM: Utilities Division

DATE: August 24, 2011



RE: GLOBAL WATER - SANTA CRUZ WATER COMPANY - VALENCIA WATER COMPANY - TOWN DIVISION, VALENCIA WATER COMPANY - GREATER BUCKEYE DIVISION, WATER UTILITY OF GREATER TONOPAH, AND WILLOW VALLEY WATER CO. - CUSTOMER METER EXCHANGE TARIFF (DOCKET NOS. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081, AND W-01212A-09-0082)

Introduction

In Decision No. 71878, dated September 15, 2010, the Arizona Corporation Commission ("Commission") ordered Global Water - Santa Cruz Water Company, Valencia Water Company - Town Division, Valencia Water Company - Greater Buckeye Division, Water Utility of Greater Tonopah and Willow Valley Water Co. (collectively, the "Global Utilities" or "Company") to file, for review by Utilities Division Staff ("Staff") and Commission consideration, a copy of its Customer Meter Exchange Tariff. Pursuant to that order, the Company filed its proposed tariff on November 15, 2010.

Staff's Review

According to the Company, the purpose of the tariff is to provide a mechanism for an customer to request that his/her meter be changed out to a different size.

It is the Company's position that it is not responsible for determining the appropriate size meter for use. According to the Company, residential, commercial/industrial meter sizes are determined by the builder based on pressure and flow requirements and the requirements of the local building authority and fire protection authority. The Company claims that the builder is responsible for determining the appropriate meter size. The Company contends that in some instances, the builder selects larger meters sizes due to pressure (e.g. two-story homes), fire protection (e.g. sprinklers) and irrigation.

The Company proposes that if a customer wishes to change out his/her meter that the customer should be required to determine the appropriate size of the meter and obtain, at the customer's own cost, all necessary approvals from authorities having jurisdiction, including but not limited to local building authorities, local fire protection agencies, etc.

The Company likewise proposes that the customer submit a Meter Exchange Form¹ to Global Utilities, "Exhibit A", which shall survive the transition and/or sale of the property from the current customer to a new customer.

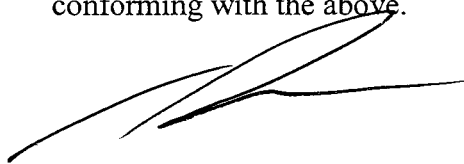
The Company further proposes that the customer be required to reimburse the Company for the costs associated with the meter change, including: (1) the cost of the new meter and; (2) installation costs in accordance with A.A.C. R14-2-405.B.5. per the Company's Service Line and Meter Installation Charges.

Staff does not believe that the Company's requested tariff is necessary when a customer wishes to move to a larger meter size, but the Company's request is appropriate when a customer wants to move to a smaller meter. In that case, the Company should be required to refund the difference in meter size costs, per their Meter Installation Tariff and should also be allowed to charge the customer any other costs associated with the meter change-out. Therefore, Staff recommends approval of the Company's request with Staff's Exhibit A, when a customer wants to down-size a meter.

Staff's Recommendations

Staff recommends the Commission approve a Customer Meter Downsizing Tariff, for the Company allowing the use of the Meter Downsizing Request Form shown in Exhibit A, to become effective on October 1, 2011.

Staff further recommends the Company be required to file, within 15 days of the effective date of this Decision, with Docket Control, as a compliance matter to this docket, a revised tariff conforming with the above.



Steven M. Olea
Director
Utilities Division

SMO:AA:lhv\WVC

ORIGINATOR: Alfonso Amezcua

¹ The Company's Customer Meter Exchange Request Form, as modified by Staff, is attached hereto as Exhibit A.

EXHIBIT A

GLOBAL WATER METER DOWNSIZING REQUEST FORM

Customer below has requested that his/her meter be changed to a smaller size. Under Global's Customer Meter Downsizing Tariff, the customer shall be responsible for determining the appropriate size of meter. In addition, Global's Customer Meter Downsizing Tariff requires the customer to be refunded the difference in cost of the larger meter per the Company's Meter Installation Tariff and to pay any cost associated with the meter exchange in accordance with A.A.C. R14-2-405.B.5, including labor cost.

The customer is required to determine the appropriate size of the meter and obtain, at the customer's own cost, all necessary approvals from authorities having jurisdiction, including by not limited to local building authorities, local fire protection agencies, etc.

Customer _____

Service Address _____

City _____ State _____ Zip Code _____

Current Meter Size _____

New Meter Size _____

Meter Refund \$ _____

Meter Installation Charge, at cost: \$ _____

Net Total Cost: \$ _____

Customer Signature: _____ Date: _____

Customer Name (Print): _____

Decision No. _____

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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

IN THE MATTER OF THE APPLICATION
OF GLOBAL WATER – PALO VERDE
UTILITIES COMPANY FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
FOR UTILITY SERVICE DESIGNED TO
REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE
OF ARIZONA

DOCKET NO. SW-20445A-09-0077

IN THE MATTER OF THE APPLICATION
OF VALENCIA WATER COMPANY –
GREATER BUCKEYE DIVISION FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
FOR UTILITY SERVICE DESIGNED TO
REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE
OF ARIZONA

DOCKET NO. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION
OF WILLOW VALLEY WATER
COMPANY FOR THE ESTABLISHMENT
OF JUST AND REASONABLE RATES AND
CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE
OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA

DOCKET NO. W-01732A-09-0079

1 IN THE MATTER OF THE APPLICATION
2 OF GLOBAL WATER – SANTA CRUZ
3 WATER COMPANY FOR THE
4 ESTABLISHMENT OF JUST AND
5 REASONABLE RATES AND CHARGES
6 FOR UTILITY SERVICE DESIGNED TO
7 REALIZE A REASONABLE RATE OF
8 RETURN ON THE FAIR VALUE OF ITS
9 PROPERTY THROUGHOUT THE STATE
10 OF ARIZONA

DOCKET NO. W-20446A-09-0080

11 IN THE MATTER OF THE APPLICATION
12 OF WATER UTILITY OF GREATER
13 TONOPAH FOR THE ESTABLISHMENT
14 OF JUST AND REASONABLE RATES AND
15 CHARGES FOR UTILITY SERVICE
16 DESIGNED TO REALIZE A REASONABLE
17 RATE OF RETURN ON THE FAIR VALUE
18 OF ITS PROPERTY THROUGHOUT THE
19 STATE OF ARIZONA

DOCKET NO. W-02450A-09-0081

20 IN THE MATTER OF THE APPLICATION
21 OF VALENCIA WATER COMPANY –
22 TOWN DIVISION FOR THE
23 ESTABLISHMENT OF JUST AND
24 REASONABLE RATES AND CHARGES
25 FOR UTILITY SERVICE DESIGNED TO
26 REALIZE A REASONABLE RATE OF
27 RETURN ON THE FAIR VALUE OF ITS
28 PROPERTY THROUGHOUT THE STATE
OF ARIZONA

DOCKET NO. W-01212A-09-0082

DECISION NO. _____

ORDER

Open Meeting
September 6 and 7, 2011
Phoenix, Arizona

BY THE COMMISSION:

In Decision No. 71878, dated September 15, 2010, the Arizona Corporation Commission (“Commission”) ordered that Global Water – Palo Verde Utilities Company, Valencia Water Company – Greater Buckeye Division, Willow Valley Water Company, Global Water – Santa Cruz Water Company, Water Utility of Greater Tonopah and Valencia Water Company – Town Division, (collectively, the “Global Utilities” or “Company”) file, for review by Utilities Division Staff (“Staff”) and Commission consideration, a copy of its Customer Meter Exchange Tariff. Pursuant to that order, the Company filed its proposed tariff on November 15, 2010.

Decision No. _____

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. According to the Company, the purpose of the tariff is to provide a mechanism for a customer to request that his/her meter be changed out to a different size.

2. It is the Company's position that it is not responsible for determining the appropriate size meter for use. According to the Company, residential, Commercial/Industrial meter sizes are determined by the builder based on pressure and flow requirements and the requirements of the local building authority and fire protection authority.

3. The Company claims that the builder is responsible for determining the appropriate meter size. The Company contends that in some instances, the builder selects larger meters sizes due to pressure (e.g. two-story homes), fire protection (e.g. sprinklers) and irrigation.

4. The Company proposes that if a customer wishes to change out his/her meter that the customer should be required to determine the appropriate size of the meter and obtain, at the customer's own cost, all necessary approvals from authorities having jurisdiction, including by not limited to local building authorities, local fire protection agencies, etc.

5. The Company proposes that the customer submit a Customer Meter Exchange Request Form¹ to Global Utilities, "Exhibit A", which shall survive the transition and/or sale of the property from the current customer to a new customer.

6. The Company further proposes that the customer be required to reimburse the Company for the costs associated with the meter change, including: (1) the cost of the new meter and; (2) installation costs in accordance with A.A.C. R14-2-405.B.5. per the Company's Service Line and Meter Installation Charges.

7. Staff does not believe that the Company's requested tariff is necessary when a customer wishes to move to a larger meter size, but the Company's request is appropriate when a

¹ The Company's Customer Meter Exchange Request Form, as modified by Staff, is attached hereto as Exhibit A.

1 customer wants to move to a smaller meter. In that case, the Company should be required to
2 refund the difference in meter size costs, per their Meter Installation Tariff and should also be
3 allowed to charge the customer any other costs associated with the meter change-out. Therefore,
4 Staff recommends approval of the Company's request with Staff's Exhibit A, when a customer
5 wants to down-size a meter.

6 8. Staff further recommends the Commission approve a Customer Meter Downsizing
7 Tariff for the Company allowing the use of the Meter Downsizing Request Form shown in Exhibit
8 A, to become effective on October 1, 2011.

9 9. Staff further recommends the Company be required to file, within 15 days of the
10 effective date of this Decision, with Docket Control, as a compliance matter to this docket, a
11 revised tariff, conforming with the above.

12 CONCLUSIONS OF LAW

13 1. The Company is a public service corporation within the meaning of Article XV of
14 the Arizona Constitution and A.R.S. §§ 40-250 and 40-252.

15 2. The Commission has jurisdiction over the Company and of the subject matter of the
16 application.

17 3. Approval of Global Utilities Customer Meter Downsizing Tariff as recommended
18 by Staff, is consistent with the Commission's authority under the Arizona Constitution, Arizona
19 ratemaking statutes, and applicable case law.

20 4. It is in the public interest to authorize the Company's request for approval of the
21 Customer Meter Exchange Tariff as discussed herein.

22 ORDER

23 IT IS THEREFORE ORDERED that the application by Global Water – Palo Verde
24 Utilities Company, Valencia Water Company – Greater Buckeye Division, Willow Valley Water
25 Company, Global Water – Santa Cruz Water Company, Water Utility of Greater Tonopah and
26 Valencia Water Company – Town Division for the implementation of a Customer Meter Exchange
27 Tariff, as discussed herein, is hereby approved as a Customer Meter Downsizing Tariff.

28 ...

1 IT IS FURTHER ORDERED that Global Water – Palo Verde Utilities Company, Valencia
2 Water Company – Greater Buckeye Division, Willow Valley Water Company, Global Water –
3 Santa Cruz Water Company, Water Utility of Greater Tonopah and Valencia Water Company –
4 Town Division shall file a tariff, with Docket Control as a compliance matter, consistent with that
5 ordered herein within 15 days of a Decision in this case.

6 IT IS FURTHER ORDERED that this tariff shall become effective October 1, 2011.

7 IT IS FURTHER ORDERED that this Decision become effective immediately.

8
9 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

10
11 _____
12 CHAIRMAN

COMMISSIONER

13
14 COMMISSIONER

COMMISSIONER

COMMISSIONER

15
16 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
17 Executive Director of the Arizona Corporation Commission,
18 have hereunto, set my hand and caused the official seal of
19 this Commission to be affixed at the Capitol, in the City of
20 Phoenix, this _____ day of _____, 2011.

21 _____
22 ERNEST G. JOHNSON
23 EXECUTIVE DIRECTOR

24 DISSENT: _____

25 DISSENT: _____

26 SMO:AA:lh\WVC
27
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Decision No. _____

SERVICE LIST FOR: Global Water – Palo Verde Utilities Company, Valencia Water Company – Greater Buckeye Division, Willow Valley Water Co., Global Water Company – Santa Cruz Water Company, Water Utility of Greater Tonopah, and Valencia Water Company – Town Division

DOCKET NOS. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081, AND W-01212A-09-0082

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EXHIBIT A

GLOBAL WATER

METER DOWNSIZING REQUEST FORM

Customer below has requested that his/her meter be changed to a smaller size. Under Global's Customer Meter Downsizing Tariff, the customer shall be responsible for determining the appropriate size of meter. In addition, Global's Customer Meter Downsizing Tariff requires the customer to be refunded the difference in cost of the larger meter per the Company's Meter Installation Tariff and to pay any cost associated with the meter exchange in accordance with A.A.C. R14-2-405.B.5, including labor cost.

The customer is required to determine the appropriate size of the meter and obtain, at the customer's own cost, all necessary approvals from authorities having jurisdiction, including by not limited to local building authorities, local fire protection agencies, etc.

Customer _____

Service Address _____

City _____ State _____ Zip Code _____

Current Meter Size _____

New Meter Size _____

Meter Refund \$ _____

Meter Installation Charge, at cost: \$ _____

Net Total Cost: \$ _____

Customer Signature: _____ Date: _____

Customer Name (Print): _____

Decision No. _____